

October 12, 1989
(Taken under advisement)December 14, 1989
(Resubmitted)MEMORANDUM

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: PAUL BARRETT, ASSISTANT DIRECTOR
ROBERT RUSH, DEPUTY DIRECTOR
JAMES SULLIVAN, CHARLESTOWN COORDINATOR
HARBOR PLANNING AND DEVELOPMENT

SUBJECT: 3, 5, 7, AND 9 WINTHROP STREET, CHARLESTOWN
MASS. URBAN RENEWAL AREA (PROJECT #R-55)
REQUEST TO AMEND LAND DISPOSITION AGREEMENT ("LDA") TO
ALLOW CONVERSION OF RENTAL UNITS TO CONDOMINIUMS.

SUMMARY: Memorandum requests an amendment to the LDA between the Boston Redevelopment Authority ("Authority") and Tontine Crescent Associates, Inc. to allow the conversion of nine rental one-bedroom units located at 3, 5, 7, and 9 Winthrop Street in Charlestown to nine condominiums.

Tontine Crescent, a property which includes 3, 5, 7, and 9 Winthrop Street, (the "Winthrop units") was the subject of a June 28, 1985 LDA between the Authority and Tontine Crescent Associates ("Tontine"). During rehabilitation construction, Winthrop Street Corporation (by its owner Barry Koretz) ("Koretz") assumed responsibility for the rehabilitation of the Winthrop units and liability for the associated mortgages taken out in the name of Tontine Crescent. Once the Certificate of Completion was issued, Tontine conveyed the Winthrop units to Koretz. These units remained subject to the LDA, however, which specified their use as rental units. The LDA contained no affordability provisions for the Winthrop units.

Winthrop Street Corporation has petitioned the Authority for an amendment to the LDA to allow the Winthrop units to be converted from rental units to market rate condominium units. There were substantial cost overruns in the rehabilitation, originating largely from a fire, which have caused an operating deficit of \$5,600 per month over rental income. (See attachments.)

Mr. Koretz feels that bankruptcy may result if he is forced to continue ownership of the Winthrop units as rental units. He therefore requests an amendment to the LDA in Section 302, thus permitting the conversion of the rental units to market rate condominium units. It is agreed, however, that any sale of the proposed condominium units shall be subject to the following conditions:

1. There shall be no eviction of any present tenants in the Winthrop units for the purpose of selling the units in which they reside;
2. The proposed condominium units shall be offered for sale first to the tenant(s) currently residing in each of said units, before being offered for sale to any other person; and
3. Nothing in this memorandum and vote shall be construed as an exemption from any City or Commonwealth ordinance, statute or regulation concerning conversion of rental units to condominiums.

An appropriate vote follows:

VOTED: That the Director is authorized to execute an amendment to the Land Disposition Agreement dated June 28, 1985 between the Boston Redevelopment Authority and Tontine Crescent Associates, Inc. which shall delete any reference to a rental restriction affecting the nine one-bedroom units located at 3, 5, 7 and 9 Winthrop Street in Charlestown, such that said units may be sold as condominiums. Said amendment shall reference and be conditioned upon the three conditions listed above in the attached Memorandum, shall be in the Authority's usual form, and shall contain such additional terms and provisions as the Director finds necessary and appropriate.

3, 5, 7 and 9 Winthrop Street, Charlestown, Massachusetts

STATEMENT OF DEVELOPMENT AND CONSTRUCTION COSTS
March 1986 to May 1989

1. Aquisition, Architectural, Consulting Engineering, Insurance and Legal Fees to Date.	\$ 89,200
2. Demolition and Construction Costs including Fixtures and Furnishings	\$ 792,883
3. Interest Charges To Date	\$ 160,265
TOTAL	\$ 1,042,348

VALUE AS

CONDOMINIUMS - The intention is to convert to condominiums and the estimate sales prices are as follows:

3-1	660 s.f.	130,000
3-2	620 s.f.	125,000
5-1	660 s.f.	130,000
5-2	620 s.f.	125,000
7-1	660 s.f.	130,000
7-2	620 s.f.	125,000
9-1	480 s.f.	90,000
9-2	480 s.f.	95,000
9-3	600 s.f.	110,000
Total Sales Price		1,060,000



**3,5,7 AND 9
WINTHROP STREET
CHARLESTOWN**

CITY SQUARE
GERALD EXPRESS

BREAKDOWN OF INCOME PER MONTH AS RENTAL UNITS

#3 Winthrop Street

3-1 (2 Bedroom)	\$ 850.00 / month
3-2 (1 Bedroom)	\$ 825.00 / month

#5 Winthrop Street

5-1 (2 Bedroom)	\$ 850.00 / month
5-2 (1 Bedroom)	\$ 800.00 / month

#7 Winthrop Street

7-1 (2 Bedroom)	\$ 850.00 / month
7-2 (1 Bedroom)	\$ 825.00 / month

#9 Winthrop Street

9-1 (1 Bedroom)	\$ 700.00 / month
9-2 (1 Bedroom)	\$ 700.00 / month
9-3 (1 Bedroom)	\$ 800.00 / month

TOTAL INCOME

\$ 7,200.00 / month

COSTS PER MONTH AS RENTAL UNITS

1st Mortgage @ 12.5% of \$ 600,000	\$ 6,250
2nd Mortgage @ 15.5% of \$ 325,000	\$ 4,197
Taxes	\$ 1,000
Insurance	\$ 1,000
Management Fees	\$ 216
Utilities and Cleaning (Common Area)	\$ 150
TOTAL EXPENSES	\$ 12,813
DEFICIT PER MONTH	\$ 5,613

Charlestown

STEPHEN COYLE, DIRECTOR
BOSTON REDEVELOPMENT AUTHORITY
9th FLOOR
BOSTON CITY HALL
BOSTON, MA 02101

Neighborhood Council

26 Mt. Vernon Street

Charlestown, MA 02129

NOVEMBER 28, 1989

DEAR DIRECTOR COYLE

PLEASE BE ADVISED THAT THE CHARLESTOWN NEIGHBORHOOD COUNCIL AND COMMUNITY RESIDENTS, PRESENT AT THE LAST REGULARLY SCHEDULED COUNCIL MEETING, NOVEMBER 14, 1989, EXPRESSED NO INTEREST IN THE MATTER CONCERNING 3, 5, 7, AND 9 PARK ST. CHARLESTOWN.

IN CONVERSATIONS I HELD, PRIOR TO THE MEETING, THE GENERAL ATTITUDE WAS THAT A CHANGE IN THE LDA REGARDING THE ABOVE MENTIONED PROPERTIES WOULD HAVE NO IMPACT ON THE COMMUNITY.

DURING THE MEETING I FORMALLY READ ALOUD A LETTER CONCERNING THE PROPOSED CHANGES TO THE LDA AND ALL PRESENT WERE

SINCERELY

